

Mineral Industry Surveys

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SILVER IN MAY 2006

U.S. mines produced 94,500 kilograms (kg) of silver in May, about an 11% increase compared with revised April production of 85,400 kg, according to the U.S. Geological Survey. U.S. silver production decreased by about 1% compared with May 2005 production of 95,500 kg.

Englehard Industries' average silver price for May was \$13.51 per troy ounce, about a 7% increase from the average April price of \$12.66 per troy ounce and 92% more than the average May 2005 price of \$7.04 per troy ounce. The price peaked on May 11 at \$14.89 per troy ounce, the highest price since 1984.

Hecla Mining Company (Coeur d'Alene, ID) and Great Basin Gold (Vancouver, British Columbia, Canada) reported gold and silver values from exploration of the Gwenivere and Clementine quartz stockwork and vein breccias at the Hollister Project at the Ivanhoe Property northwest of Elko, NV. In one drill hole in the Gwenivere system, a 2.98-meter (m) section contained 51.2 grams per ton (g/t) gold and 79.4 g/t silver and another 0.64-m section contained 24.4 g/t gold and 57.2 g/t silver. A drill hole in the Clementine system intersected a 0.61 m section with 197.8 g/t gold and 2,307.8 g/t silver (Hecla Mining Company, 2006§¹).

Apex Silver Mines Limited (Denver, CO) continues to develop its wholly-owned San Cristobal silver-lead-zinc project in southwestern Bolivia, and production is expected to commence in the third quarter 2007 (Apex Silver Mines Limited, 2006§).

Esperanza Silver Corporation (Denver, CO) obtained a permit to drill at the San Luis project in Ancash Department, Peru, with drilling expected to begin in June. Channel sampling was suspended in mid-March because of inclement weather and is

expected to resume in August. A grab sample from the Ines vein contained 16.9 g/t gold and 922 g/t silver (Esperanza Silver Corporation, 2006§).

Fortuna Silver Mines Incorporated (Vancouver, British Columbia, Canada) announced initial results from its San Jose gold-silver project in Oaxaca, Mexico. In the Trinidad zone, where mineralized widths average 4 m, one drill hole cut a 4.11-m interval that contained 10.5 g/t gold and 1,772 g/t silver (Fortuna Silver Mines Inc., 2006§).

Silver Standard Resources Inc. (Vancouver, British Columbia, Canada) reported drill results from the Pitarilla silver project in Mexico that included a vertical hole with a 125-m section averaging 170.1 g/t silver and an angle hole with an 82.3-m section averaging 119.7 g/t silver. A third hole intersected three mineralized intervals: the first with 96 m averaging 52.0 g/t silver; the second with 13.7-m averaging 73.6 g/t silver; and the third, a high-grade, 1.49-m vein with 8,780 g/t silver (Silver Standard Resources Inc., 2006§).

Internet References Cited

- Apex Silver Mines Limited, 2006 (May 2), Apex Silver responds to unusual trading activity in its ordinary shares, accessed July 17, 2006, via URL <http://www.apexsilver.com>.
- Esperanza Silver Corporation, 2006 (May 2), Esperanza receives drill permit for the high-grade San Luis project, accessed July 20, 2006, via URL <http://www.esperanzasilver.com>.
- Fortuna Silver Mines Inc., 2006 (May 15), Fortuna cuts 1772 g/t Ag and 10.5 g/t Au over 4.1m at San Jose project, accessed July 12, 2006, via URL <http://www.fortunasilver.com>.
- Hecla Mining Company, 2006 (May 9), Hecla and Great Basin announce underground drilling results for Hollister development block project in Nevada, accessed July 18, 2006, via URL <http://www.hecla-mining.com>
- Silver Standard Resources, Inc., 2006 (June 1), Silver Standard extends South Ridge Zone by 250 meters at Pitarrilla silver project in Mexico, accessed July 18, 2006, via URL <http://www.silverstandard.com>.

References that include a section mark (§) are found in the Internet References Cited section.

TABLE 1
MINE PRODUCTION OF RECOVERABLE
SILVER IN THE UNITED STATES¹

	Kilograms
<u>2005:^p</u>	
May	95,500
June	107,000
July	94,800
August	99,100
September	99,100
October	90,500
November	94,100
December	100,000
January-December	<u>1,230,000</u>
<u>2006:</u>	
January	90,300 ^r
February	87,400 ^r
March	102,000 ^r
April	85,400 ^r
May	94,500
January-May	<u>460,000</u>

^pPreliminary. ^rRevised.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

TABLE 2
SILVER PRICES

(Dollars per troy ounce)

<u>Engelhard Industries:</u>	
2005:	
Low/date	6.42 Jan. 4
High/date	9.17 Dec. 12
Average	7.34
2006:	
March:	
Low/date	9.81/8
High/date	11.67/31
Average	10.42
April:	
Low/date	11.63/5
High/date	14.30/19
Average	12.66
May:	
Low/date	12.26/19
High/date	14.89/11
Average	13.51
Year to date:	
Low/date	8.85 Jan. 5 and 18
High/date	14.89 May 11
Average	11.06
<u>Handy and Harman:</u>	
2005, average	7.34
2006:	
March	10.38
April	12.64
May	13.38
Year to date	11.02
<u>London Final:¹</u>	
2005, average	7.32
2006:	
March	10.38
April	12.61
May	13.45
Year to date	11.03

¹Reported as "London Spot/US Equiv."

Source: Platts Metals Week.

TABLE 3
U.S. IMPORTS OF SILVER, BY COUNTRY¹

Period and country	Bullion		Doré		Ores and concentrates ²		Ash and residues		Total	
	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)
2005	3,880,000	\$902,000	300,000	\$89,500	433	\$318	2,630	\$769	4,180,000	\$993,000
2006:										
February	347,000	107,000	21,800	9,270	--	--	219	50	369,000	116,000
March	398,000	126,000	12,300	5,110	--	--	260	72	410,000	131,000
April:										
Australia	2,340	999	--	--	--	--	--	--	2,340	999
Canada	134,000 ³	46,800	622 ³	100	--	--	--	--	135,000	46,900
Chile	5,500	1,840	--	--	--	--	--	--	5,500	1,840
Colombia	--	--	813	307	--	--	--	--	813	307
Honduras	--	--	48	21	--	--	--	--	48	21
India	54 ³	11	(4) ³	3	--	--	--	--	54	14
Mexico	196,000	76,200	10,300	5,520	--	--	--	--	206,000	81,700
Panama	27 ³	8	--	--	--	--	--	--	27	8
Peru	21,900	7,670	6,400	2,850	--	--	--	--	28,300	10,500
Taiwan	--	--	--	--	--	--	337 ³	71	337	71
Total	360,000	134,000	18,100	8,800	--	--	337	71	379,000	142,000
Year to date	1,520,000	478,000	72,500	31,700	--	--	1,170	285	1,590,000	510,000

↳

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes silver content of base metal ores and concentrates.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

⁴Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 4
U.S. IMPORTS OF SILVER, BY COUNTRY¹

Period and country	Other unwrought silver		Metal powder		Silver nitrate		Semimanufactured forms ²		Waste and scrap	
	(gross weight)		(gross weight)		(gross weight)		(gross weight)		(gross weight)	
	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)
2005	357,000	\$80,400	29,300	\$6,990	669	\$118	180,000	\$39,700	4,170,000	\$19,100
2006:										
February	43,900	13,500	367	99	500	86	35,600	10,300	208,000	12,000
March	31,900	10,700	1,300	444	--	--	6,590	1,610	265,000	11,500
April:										
Argentina	--	--	--	--	--	--	--	--	1	27
Australia	--	--	--	--	--	--	2,110	871	--	--
Brazil	--	--	--	--	--	--	1,430 ³	377	--	--
Canada	1,430 ³	628	430 ³	68	--	--	62 ³	10	74,000	1,790
China	--	--	--	--	--	--	--	--	24	259
Colombia	--	--	--	--	--	--	--	--	18,200	192
Costa Rica	--	--	--	--	--	--	--	--	40	211
Dominican Republic	--	--	--	--	--	--	--	--	105	341
France	--	--	--	--	--	--	--	--	66,900	464
Germany	--	--	427 ³	73	--	--	--	--	384	1,570
Guatemala	--	--	--	--	--	--	--	--	31	340
Honduras	--	--	--	--	--	--	--	--	5	47
India	7	3	--	--	--	--	14	5	--	--
Italy	1 ³	5	--	--	--	--	--	--	47	877
Japan	--	--	207 ³	35	--	--	--	--	6	111
Korea, Republic of	--	--	--	--	--	--	--	--	11,700	1,540
Malaysia	--	--	150 ³	26	--	--	--	--	184,000	20,300
Mexico	13,200 ³	3,580	--	--	--	--	--	--	34,800	2,370
Netherlands	--	--	(4) ³	3	--	--	--	--	--	--
Panama	--	--	--	--	--	--	--	--	42	409
Peru	--	--	--	--	--	--	11,900	4,110	--	--
Philippines	--	--	--	--	--	--	--	--	3	45
Singapore	--	--	--	--	--	--	--	--	10	79
South Africa	--	--	--	--	--	--	--	--	17,700	110
Thailand	--	--	--	--	--	--	--	--	7	137
United Kingdom	--	--	216 ³	37	--	--	5 ³	4	17,300	1,680
Total	14,600	4,220	1,430	242	--	--	15,500	5,370	425,000	32,900
Year to date	110,000	34,200	2,940	804	500	86	59,600	16,700	641,000	36,600

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Containing 99.5% or more by weight of silver.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

⁴Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 5
U.S. EXPORTS OF SILVER¹

Period and country	Bullion		Doré		Ores and concentrates ²		Total	
	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)
2005	166,000	\$45,900	132,000	\$35,000	3,680	\$834	302,000	\$81,700
2006:								
February	3,280	945	7,090	2,190	68	20	10,400	3,150
March	139,000	70,400	6,820	2,160	103	33	146,000	72,600
April:								
Australia	45,500 ³	8,180	--	--	--	--	45,500	8,180
Canada	40,400 ³	16,100	--	--	--	--	40,400	16,100
France	--	--	--	--	2 ³	3	2	3
Germany	4,520 ³	1,060	--	--	--	--	4,520	1,060
Mexico	139 ³	13	--	--	--	--	139	13
Netherlands	--	--	--	--	22 ³	4	22	4
Norway	--	--	287	111	--	--	287	111
Singapore	--	--	275 ³	76	--	--	275	76
Switzerland	--	--	5,720	2,300	--	--	5,720	2,300
United Kingdom	70,000	27,400	2,070 ³	373	--	--	72,000	27,800
Total	161,000	52,800	8,350	2,860	24	7	169,000	55,700
Year to date	166,000	77,700	21,100	6,450	2,020	3,570	189,000	87,700

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes silver content of base metal ores and concentrates.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 6
U.S. EXPORTS OF SILVER¹

Period and country	Other unwrought silver		Metal powder		Silver nitrate		Semimanufactured forms ²		Waste and scrap	
	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)
2005	20,600	\$5,290	809,000	\$139,000	56,600	\$4,180	308,000	\$54,500	2,880,000	\$576,000
2006:										
February	1,540	486	97,200	16,600	7,210	386	30,100	5,230	306,000	57,700
March	5,200	2,110	126,000	21,500	3,990	460	38,900	6,750	346,000	76,300
April:										
Australia	--	--	--	--	179 ³	12	--	--	340	241
Belgium	--	--	1,250 ³	213	--	--	--	--	34,600	5,350
Bermuda	183 ³	40	--	--	--	--	--	--	--	--
Canada	326 ³	98	3,690 ³	631	990 ³	126	15,900 ³	2,730	82,100	14,500
China	90 ³	51	2,620 ³	448	10 ³	3	497 ³	98	65,800	9,460
Finland	--	--	388 ³	66	--	--	--	--	--	--
France	216 ³	41	3,650 ³	624	--	--	1,320 ³	235	--	--
Germany	21 ³	4	19,700 ³	3,350	--	--	2,400 ³	408	105,000	20,800
Hong Kong	--	--	9,100 ³	1,540	--	--	1,960 ³	345	557	105
India	--	--	--	--	--	--	206 ³	35	--	--
Israel	--	--	--	--	--	--	112 ³	19	--	--
Italy	--	--	--	--	--	--	64 ³	13	47,300	12,800
Japan	--	--	34,300 ³	5,840	--	--	506 ³	88	385	4,180
Jordan	--	--	--	--	--	--	229 ³	39	--	--
Korea, Republic of	--	--	26,400 ³	4,580	--	--	34 ³	10	4,310	568
Lithuania	--	--	--	--	--	--	192 ³	32	--	--
Malaysia	12 ³	3	--	--	--	--	412 ³	71	766	100
Mexico	--	--	6 ³	3	408 ³	36	8,780 ³	1,570	--	--
Netherlands	--	--	262 ³	45	--	--	1,330 ³	229	--	--
Russia	--	--	--	--	--	--	1,130 ³	192	--	--
Saudi Arabia	--	--	--	--	--	--	--	--	13,800	1,800
Singapore	--	--	1,950 ³	337	14 ³	3	578 ³	105	--	--
Spain	--	--	--	--	--	--	2,960 ³	504	--	--
Sweden	--	--	439 ³	75	39 ³	4	--	--	25,400	3,430
Switzerland	--	--	--	--	--	--	131 ³	24	4,410	1,380
Taiwan	--	--	29,900 ³	5,080	--	--	1,430 ³	244	7,020	996
Thailand	--	--	--	--	--	--	4,930 ³	940	--	--
United Kingdom	--	--	10,900 ³	1,860	--	--	2,350 ³	405	8,000	1,100
Other	261 ³	63	42 ³	8	--	--	279 ³	53	--	--
Total	1,110	300	145,000	24,700	1,640	184	47,800	8,390	400,000	76,900
Year to date	11,800	3,820	449,000	76,700	15,100	1,220	143,000	24,900	1,330,000	267,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Containing 99.5% or more by weight of silver.

³All or part of these data have been referred to the U.S. Census Bureau for verification.